

FILED

AUG 31 2017 

UNITED STATES DISTRICT COURT
THOMAS G. BRUTON CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

NATHANIEL McELROY,
REGINALD JOHNSON aka "Rico,"
CORNELIUS BATTLE,
DALRICK DRAIN aka "Duff," and
LASHON MOORE aka "Chop"

17CR 576

Violations: Title 18, United States Code,
Sections 371, 922(a)(1)(A) and 2.

JUDGE ALONSO

MAGISTRATE JUDGE COX

COUNT ONE

The SPECIAL FEBRUARY 2017 GRAND JURY charges:

1. At all times material to this indictment:

- a. Defendants Nathaniel McElroy, Reginald Johnson, LaShon Moore, Dalrick Drain, and Cornelius Battle did not possess a federal firearms dealers' license issued by the Bureau of Alcohol, Tobacco, Firearms, and Explosives ("ATF");
- b. Federal Law required that a firearms dealer engaged in the business of dealing in firearms be licensed by ATF.
- c. On Target and Dunham Sports are businesses located in Kalamazoo, Michigan that each possessed a federal firearms dealers license issued by the ATF, and offered firearms for sale to the public;
- d. Federal law required that upon the purchase and transfer of a firearm from a licensed firearms dealer ("FFL") to an individual, the

transferee/buyer of that firearm was required to complete ATF Form 4473;

- e. ATF Form 4473 recorded information concerning the transfer of a firearm from a FFL to another individual, including but not limited to the name, age, and place of residence of the transferee/buyer, whether the transferee/buyer had been convicted of a crime punishable by imprisonment exceeding one year, and a truthful certification that the transferee/buyer was the actual buyer of the firearm;
- f. Upon completing the ATF Form 4473 in relation to the purchase of a firearm, the transferee/buyer of the firearm was required to sign ATF Form 4473 certifying that the information on the form was true and correct;
- g. Individuals known as "straw purchasers" are those who, when purchasing a firearm from a FFL, falsely certify on ATF Form 4473 that they are the actual buyers of firearms, when, in fact, they are buying firearms on behalf of someone else;
- h. Federal law required that an individual purchasing certain firearms from an out-of-state FFL must first have those firearms transferred to an FFL in the same state in which the individual resides before the individual can legally take possession of the firearms;
- i. Defendant Nathaniel McElroy and Individual A were residents of the State of Illinois; and

- j. Defendants Reginald Johnson, LaShon Moore, Dalrick Drain, and Cornelius Battle were residents of the State of Michigan.

2. Beginning on or about January 5, 2017 and continuing until on or about June 10, 2017, at Chicago, in the Northern District of Illinois and elsewhere,

NATHANIEL McELROY,
REGINALD JOHNSON, aka "Rico,"
CORNELIUS BATTLE,
DALRICK DRAIN, aka "Duff," and
LASHON MOORE, aka "Chop,"

defendants herein, who were not licensed firearms dealers, manufacturers, importers, or collectors within the meaning of Chapter 44, Title 18, United States Code, did conspire with each other, and others known and unknown to the Grand Jury, to:

- a. willfully engage in the business of dealing in firearms; in violation of Title 18, United States Code, Section 922(a)(1);
- b. willfully transfer, sell, trade, give, transport and deliver firearms to other individuals, who defendants knew and had reasonable cause to believe was not a Michigan resident, in violation of Title 18, United States Code, Section 922(a)(5); and
- c. knowingly make any false or fictitious oral or written statement, in connection with the acquisition or attempted acquisition of a firearm, intended or likely to deceive a licensed dealer with respect to any fact material to the lawfulness of a sale or other disposition of a firearm or ammunition, in violation of Title 18, United States Code, Section 922(a)(6).

3. It was part of the conspiracy that JOHNSON and MOORE obtained and recruited others, including BATTLE and DRAIN, to obtain firearms in the State of Michigan for individuals residing in Chicago, Illinois, including McELROY and Individual A to possess, dispose of and sell to other individuals residing in Chicago, Illinois.

4. It was further part of the conspiracy that BATTLE, DRAIN and other individuals were "straw purchasers" in that they purchased firearms from federal firearm licensed businesses in Michigan on behalf of another person, but falsely certified on ATF Form 4473 that they were the actual buyers of the firearms.

5. It was further part of the conspiracy that the firearms purchasers, including McELROY and Individual A, identified which firearms they wanted and then gave the money to BATTLE, DRAIN and other individuals, so they could purchase the firearms for McELROY and Individual A.

6. It was further part of the conspiracy that JOHNSON, BATTLE, DRAIN and MOORE would charge a fee over the list price of the firearms to act as a straw purchaser and to earn a profit.

7. It was further part of the conspiracy that JOHNSON, BATTLE, DRAIN and MOORE would provide McELROY and Individual A with firearms, knowing that McELROY and Individual A were not residents of Michigan;

8. It was further part of the conspiracy that from on or about January 5, 2017, until on or about June 10, 2017, defendants caused at least nine (9) firearms, to be sold and transported from Michigan to Chicago, Illinois.

9. It was further part of the conspiracy that defendants did conceal and hide, and caused to be concealed and hidden, the existence of and acts done in furtherance of the conspiracy.

OVERT ACTS

10. In furtherance of the conspiracy and to accomplish the objectives of the conspiracy, defendants committed one or more overt acts in the Northern District of Illinois, and elsewhere, which overt acts included but were not limited to the following:

- (a) on or about January 5, 2017, in Kalamazoo, Michigan, BATTLE transferred a 9mm Glock 19 bearing serial number BDLK967 to McELROY, an individual he knew to reside in Chicago and who intended to transport the firearm back to Chicago, Illinois;
- (b) on or about January 5, 2017, McELROY transported the 9mm Glock 19 bearing serial number BDLK967 purchased in Kalamazoo, Michigan by BATTLE into Chicago, Illinois from Kalamazoo, Michigan;
- (c) on or about February 8, 2017, in Kalamazoo, Michigan, BATTLE transferred a 40 caliber Glock 27 bearing serial number BUM775US to McELROY, an individual he knew to reside in Chicago and who intended to transport the firearm back to Chicago, Illinois;
- (d) on or about February 8, 2017, McELROY transported the 40 caliber Glock 27 bearing serial number BUM775US purchased in Kalamazoo, Michigan by BATTLE into Chicago, Illinois from Kalamazoo, Michigan;

- (e) on or about February 8, 2017, in Kalamazoo, Michigan, DRAIN transferred a 9mm Hi Point C9 HP916 bearing serial number P1992357 to McELROY, an individual he knew to reside in Chicago and who intended to transport the firearm back to Chicago, Illinois;
- (f) on or about February 8, 2017, McELROY transported the 9mm Hi Point C9 HP916 bearing serial number P1992357 purchased in Kalamazoo, Michigan by DRAIN into Chicago, Illinois from Kalamazoo, Michigan;
- (g) from on or about February 20, 2017 to on or about February 21, 2017, McELROY referred Individual A, who was in Chicago, Illinois, to JOHNSON and MOORE, residents of Michigan, via Facebook to obtain firearms in Michigan to bring back to Chicago;
- (h) from on or about February 22, 2017 to on or about February 27, 2017, Individual A, who was in Chicago, Illinois, communicated with JOHNSON via Facebook and telephone to set up a time to travel to Kalamazoo, Michigan to purchase firearms;
- (i) on or about February 28, 2017, Individual A traveled from Chicago, Illinois and met with JOHNSON and MOORE in Kalamazoo, Michigan to obtain firearms to bring back to Chicago;
- (j) on or about February 28, 2017, JOHNSON informed Individual A that Individual A would have to go into the store, pick out the firearms and pay the purchase price of the firearms as well as an additional fee for the person purchasing the firearms;

- (k) on or about February 28, 2017, MOORE informed Individual A that Individual A would be able to purchase the firearms from the firearms store as long as the transaction did not look suspicious;
- (l) on or about February 28, 2017, JOHNSON went with Individual A to On Target in Kalamazoo, Michigan to select two firearms for purchase;
- (m) on or about February 28, 2017, JOHNSON directed DRAIN to purchase two firearms from On Target in Kalamazoo, Michigan for Individual A;
- (n) on or about February 28, 2017, DRAIN purchased two firearms from On Target in Kalamazoo, Michigan for Individual A;
- (o) on or about February 28, 2017, in Kalamazoo, Michigan, DRAIN transferred a Glock 22, 40 caliber pistol, bearing serial number ATV446US and a Glock 23, 40 caliber pistol, bearing serial number DKS800US, to Individual A, knowing Individual A intended to transport the firearms back to Chicago, Illinois;
- (p) on or about February 28, 2017, Individual A paid DRAIN the list price plus an additional fee for DRAIN to purchase the firearms from On Target in Kalamazoo, Michigan;
- (q) from on or about March 26, 2017 to on or about March 30, 2017, Individual A, who was in Chicago, Illinois, communicated with MOORE via Facebook and telephone to set up a time to travel to Michigan to purchase a firearm;
- (r) on or about March 30, 2017, MOORE informed Individual A that MOORE was taking the serial number off the firearm;

- (s) on or about March 30, 2017, MOORE sold a firearm, namely a Smith and Wesson, model, SD40 VE .40 caliber pistol, bearing an obliterated serial number to Individual A, in Kalamazoo, Michigan;
- (t) on or about March 30, 2017, DRAIN purchased two firearms from Dunham Sports in Kalamazoo, Michigan for Individual A;
- (u) on or about March 30, 2017, Individual A paid DRAIN the list price plus an additional fee for DRAIN to purchase the firearms from Dunham Sports in Kalamazoo, Michigan;
- (v) on or about March 30, 2017, in Kalamazoo, Michigan, DRAIN transferred a Taurus, model PT738, .380 caliber ACP pistol, bearing serial number 19459F and a Taurus, model PT11 Millennium G2, 9 mm pistol, bearing serial number TJU51015, to Individual A, knowing Individual A intended to, and in fact did, transport the firearms back to Chicago, Illinois; and
- (w) on or about June 10, 2017, in Kalamazoo, Michigan, MOORE directed Straw Purchaser A to transfer a Glock 27, 40 caliber Smith & Wesson pistol bearing serial number BBM5313 and a Glock 20, 10 mm pistol bearing serial number BECR866, to McELROY, knowing McELROY intended to transport the firearms back to Chicago, Illinois.

In violation of Title 18, United States Code, Sections 371 and 2.

COUNT TWO

The SPECIAL FEBRUARY 2017 GRAND JURY further charges:

Beginning on or about January 5, 2017 and continuing to on or about June 10, 2017, at Chicago, in the Northern District of Illinois and elsewhere,

NATHANIEL McELROY
REGINALD JOHNSON, aka "Rico,"
CORNELIUS BATTLE,
DALRICK DRAIN, aka "Duff," and
LASHON MOORE aka "Chop,"

defendants herein, not being licensed dealers within the meaning of Chapter 44, Title 18, United States Code, did willfully engage in the business of dealing in firearms;

In violation of Title 18, United States Code, Section 922(a)(1)(A) and 2.

A TRUE BILL:

FOREPERSON

ACTING UNITED STATES ATTORNEY